

## **FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
Seattle City Light	Sandi Fukumoto (684-0423)	Anthony Colello (684-5292)

### **Legislation Title:**

AN ORDINANCE relating to the City Light Department, authorizing the extension of the franchise from the City of Burien to construct, operate, maintain, replace and repair an electrical light and power system in, across, over, along, under, through and below certain designated public rights-of-way, to July 31, 2014 or the effective date of a replacement franchise agreement, whichever occurs first.

### **Summary of the Legislation:**

This ordinance authorizes an extension for the franchise from the City of Burien to construct, operate, maintain, replace and repair an electrical light and power system in, across, over, along, under, through and below certain designated public rights-of-way, to July 31, 2014 or the effective date of a replacement franchise agreement, whichever occurs first. The current Franchise Agreement expires on January 31, 2014. Seattle City Light and the City of Burien have been engaged in negotiations to renew the current franchise. In order to successfully complete these negotiations and comply with the two cities' legislative timelines, an extension of the existing franchise is warranted.

### **Background:**

Seattle City Light provides electric service to the residents and businesses in the City of Burien under a 15 year Franchise Agreement, which was effective beginning January 1, 1999, granted by the City of Burien Ordinance 247 and accepted by the City of Seattle by Ordinance 119348. The Franchise Agreement grants Seattle City Light a non-exclusive franchise to operate within the City of Burien's rights-of-way, and establishes terms and conditions under which Seattle City Light and the City of Burien work together on a variety of franchise issues, including rates as established by the Seattle City Council, fees, and operational requirements.

Since late 2012, Seattle City Light and the City of Burien have been engaged in discussions to renegotiate the Franchise Agreement. Meetings were held with the City of Burien to discuss what is working well with the current Franchise Agreement and to identify areas for improvement. Subsequently, Seattle City Light has been working internally and with City of Burien to draft and negotiate a new franchise agreement that will maintain consistency with Seattle City Light's Strategic Plan, and provide the City of Burien with the same level of outstanding service, reliability, environmental stewardship, and accountability as we provide for customers within the Seattle city limits.

**X**    **This legislation does not have any financial implications.**

          **This legislation has financial implications.**

**Other Implications:**

**a) Does the legislation have indirect financial implications, or long-term implications?**

This legislation extends the term of the current Franchise Agreement and will allow the two parties to continue negotiating the terms of a new long-term franchise agreement to provide electrical service to residents and businesses within the City of Burien and for Seattle City Light to continue to construct, operate, maintain, replace and repair its system within the City of Burien's rights-of-way.

**b) What is the financial cost of not implementing the legislation?**

Failure to pass this extension ordinance would not have direct financial impacts until the existing Franchise Agreement expires without a new agreement to replace it. However if a new agreement is not in place by January 31, 2014, then the financial impacts could be significant, and well beyond the scope of this note.

**c) Does this legislation affect any departments besides the originating department?**

No.

**d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?**

Finalize negotiations and execute a new franchise agreement without the extension and authorize the new agreement through an ordinance with a full ratify and confirm clause for the new franchise.

**e) Is a public hearing required for this legislation?**

No.

**f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No.

**g) Does this legislation affect a piece of property?**

No.

**h) Other Issues:**

N/A

**List attachments to the fiscal note below: N/A**